



SHARPE JAMES

MAYOR

NEWARK, NEW JERSEY

07102

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Mayor Sharpe James today blasted the U.S. Department of Housing and Urban Development for failing to monitor buildings which receive rent subsidies.

At the same time, he advised tenants who live in poorly maintained buildings to continue paying their rent and to seek legal counsel.

With professional guidance, tenants can pool their resources to make the necessary repairs or seek judicial intervention in forcing the landlord to repair the property and provide services, James explained.

"When landlords do not make repairs and tenants do not pay their rent or establish an escrow account under direction of the courts or an attorney, the end result is a deteriorated building and eventually abandonment," he declared.

James issued his warning in response to conditions found to exist in the 32 buildings of the Amity Village Association. Earlier this week, the city began efforts to relocate tenants living in two of the association's properties, which the Mayor claimed, "are unfit for human habitation!"

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James said he visited the two properties at 402 S. 14th Street and 423 South Orange Avenue and found the buildings without heat and hot water and in a state of "neglect, deterioration and disrepair." Some units had been burned out because of faulty electrical wiring, he added.

"These conditions are a clear indictment of H.U.D.'s selective policy of designating certain properties for guaranteed federal rent subsidies and then allowing the landlords to simply walk away with their profits without making any repairs," the chief executive declared.

The Amity Village Association receives rent subsidies from the federal government.

Following a meeting with HUD officials and tenants last week, James said he learned that the owner of the properties was entitled to over \$1 million a year in rent subsidies.

H.U.D. has asked that \$40,000 of the \$200,000 in subsidies already paid be returned because the owners have not fulfilled their promise to repair the properties and bring them up to code, he disclosed.

Meanwhile, city inspectors have filed 44 charges against the landlord of the buildings, and a bench warrant has been issued for one of the owners, Roosevelt Stroman of New York.

Because the charges do not involve a felony, James explained that Stroman cannot be extradited to stand trial in Newark, and has refused to come to the city voluntarily.

The Mayor said Stroman with a partner, now deceased, purchased the properties in 1985 from HUD, and has "now walked away from the buildings charging that he is attempting to sell them."

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In the meantime, James asked Marshall Cooper, manager of Newark's division of property management, to identify Amity properties where repairs could be made to provide heat.

As of today heat has been restored to six properties and work was expected to be completed to repair boilers and plumbing in two other buildings by early next week, according to Cooper.

"Our primary concern at this time is to provide heat and hot water," he said.

And, while the City also has begun to work with the Housing Authority in identifying relocation units for 22 families in the buildings at 402 S. 14th Street and 423 South Orange Avenue, James warned that the process is not an easy one.

"We will do our best in this situation," he said, but admonished other tenants not to let themselves fall victim to similar conditions.

"If your building is not kept in good repair, tenants should seek legal counsel to set up an escrow account where they can continue to pay their monthly rents," said James.

He maintained that the City over the years "has been negligent in not collecting taxes and water payments on HUD's Amity Village properties," and both Newark and the federal agency should be faulted for "failing to provide ongoing inspections of the buildings."

But, he contended, the tenants suffer the most "from the false satisfaction of not having paid rent for an extended period of time and watching the buildings deteriorate to the point where the landlord abandons the property leaving them without heat and hot water in the cold of winter.

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"This scenario is an all too frequent pattern in Newark that tenants should guard against because the City is unable to move non-rent paying tenants or tenants on rent subsidy from less than adequate to better housing," said James.

"There is no pot of gold at the end of the rainbow for tenants when landlords walk away from their property and there is no rent escrow fund to show their good faith effort at paying rent," he warned.

"The real challenge," said James, "is not to allow housing situations like those at Amity Village this to occur in the first place. This is a situation that should have been avoided. HUD, Newark, the buildings' owners and tenants share in this tragic matter."

The Mayor said he would ask the Department of Land Use Control to "speed up inspections of multi-unit dwellings in order to stem the tide of deterioration."